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Malaysia

Oilseeds and Products

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Report Highlights:

Malaysia's CPO production rose 4.8 percent to 922 TMT in April, 2001. Despite lower PO exports and domestic utilization, the sharp decline in carry-in stocks resulted in lower stock levels at the end of April. The average local CPO price dropped from US\$214/MT in April to US\$192/MT in May.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Kuala Lumpur [MY1], MY

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Executive Summary

Production

The Malaysian Palm Oil Registration and Licensing Authority (PORLA) reported that total crude palm oil (CPO) production rose 3.9 percent from 888 TMT in the month of March 2001 to 922 TMT in April. Output in the Peninsula increased by 4.7 percent while East Malaysia's production rose 2.6 percent. Compared to April 2000, output during April 2001 was 18 percent higher. While CPO output is experiencing a seasonal uptrend phase, weakening yields point to a small increase in output for the April-June quarter over that of the previous quarter.

Price

News of a declining stock level at the end of April and the enthusiasm of using palm oil as fuel lend some support to local CPO prices during most of April. The average CPO price declined 10 percent from US\$214/MT in April to US\$192/MT in May. For comparison, the average CPO price for May, 2000 was US\$290/MT. RBD Palm Oil FOB average price also increased from US\$223/MT in April to US\$208/MT in May. A weak Indonesian rupiah will continue to put pressure on Malaysian CPO prices in the near future.

Stocks

Despite an increase in CPO output in April, the sharp decline in carry-in stocks at the beginning of April contributed to a five percent drop in the stock level at the end of April. With small increases in CPO output for the next two months, the stock level is expected to hover around the same level for the rest of the quarter.

Trade

Preliminary official exports dropped from 970 TMT in March to 835 TMT in April.

Annual Situation (Oct/Sep):

PS&D table for palm oil remained unchanged since submission of MY1012

	Revised 1999/00	Prelim 2000/01	Forecast 2001/02
(1,000 tons)			
Beg Stock	1208	1368	1,550
Production	10,491	12,000	11,900
Imports	50	70	50
Total Supply	11,749	13,438	13,500
Exports	8,408	9,800	9,750
Domestic Use	1,973	2,088	2,250
Ending Stock	1,368	1,550	1,500

Quarterly Outlook for Palm Oil:

	2000 1/	2001 2/	2000 1/	2001 2/
	Jan-Mar	Jan-Mar	Apr-Jun	Apr-Jun
Beg Stocks 3/	1176	1419	943	1251
Prod- Pen.Mal	1536	1773	1674	1750
- East Mal	689	1064	741	1100
- Total	2225	2837	2415	2850
Imports	12	24	8	20
Total Supply	3413	4280	3366	4121
Exports 4/	2030	2610	1875	2400
Dom Disap 5/	440	419	455	501
End Stocks	943	1251	1036	1220

1/ Revised;

2/ Forecast;

3/ Stocks including crude and refined for all Malaysia;

4/ Exports exclude shipments of fatty acid oil distillate
and all intra-Malaysia trade;

5/ residual

Production:

	2000	2000	2001	2001	2001
	Apr	Jan-Apr	Mar 2/	Apr	Jan-Apr
(In 1,000 MT)					
CPO:					
Pen. Malaysia	545	2081	567	593	2366
East Malaysia	234	923	321	329	1393
- Total 1/	779	3004	888	922	3759
Palm Kernel : Malaysia	237	912	259	266	1085
Palm Kernel Oil: Malaysia	100	409	126	123	494
Palm Kernel Meal: Malaysia	120	494	147	144	578

1/ Totals may not add due to rounding differences.

Includes some revisions in previous months.

2/ Revised

Prices:

(Crude delivered basis; RBD Oils in Bulk, FOB Malaysia)

	Local Crude	RBD Palm Oil	RBD Olein	RBD Stearin
	RM/MT	US\$/MT	US\$/MT	US\$/MT
May 2000	1103	307	328	246
June	1053	291	309	239
July	1016	280	302	221
Aug	984	275	294	222
Sep	924	260	279	200
Oct	768	218	246	146
Nov	806	226	248	184
Dec	757	210	223	190
Jan 2001	718	200	212	178
Feb	695	193	200	171
Mar	779	223	235	186
Apr 1/	812	223	240	176
May (till 28th)	730	208	228	167

1/ revised

Exchange Rate (May 31 2001): US\$1.00 = RM3.799

Stocks:

	2000	2001	2001	2001
	Apr	Feb	Mar	Apr
(In 1,000 MT)				
Crude P. Oil	480	985	801	736
Processed PO	488	511	450	453
- Total PO	968	1496	1251	1189
Palm Kernel	77	174	153	146
P. Kernel Oil	117	252	262	238